

Ambassador Nirupama Rao
Ambassador of India to the United States
2107 Massachusetts Avenue, NW
Washington, DC

May 14, 2012

Madame Ambassador,

We are writing this formal letter to you on behalf of a representative community of Ethiopian-Americans and Ethiopians representing Ethiopia's diverse ethnic, religious, gender and political orientation in the Washington Metropolitan area and are appalled by the social, economic, cultural, political and environmental devastation emanating from land grab in Ethiopia. Among the culprits are a large number of Indian firms. We join thousands of others across the globe who will soon present a petition on the subject to governments, the UN family, the international press, academic institutions and foundations and non-governmental organizations that are dedicated to human, economic and political rights, the environment, the welfare of indigenous people, fair, inclusive and equitable globalization to halt a catastrophe in the making.

Madame Ambassador,

Our singular purpose is to urge you, the government of India, leaders and members of the Indian Parliament, Indian human rights and other civil society organizations, academics, the Indian Press and the general society to apply immediate pressure on numerous Indian for-profit commercial agriculture-firms in Ethiopia to halt their plunders of national farmlands, trees, forests, rivers and waters; and their collusion with the dictatorial minority ethnic-based and corrupt government led by Prime Minister Meles in the uprooting, dispossession and displacement of at least 1.5 million Ethiopians from their homes and their livelihoods. At the current pace of sales and leases by the government, Indian commercial agriculture firms in Ethiopia will soon control the most critical source of comparative advantage for the country and its 90 million people, as are part of a coterie of global firms, hedge funds, academic endowments and known personalities from 36 countries. These entities operate at will, without transparent and clear terms and conditions to mitigate social, economic, political, cultural, psychological and ecological risks and to induce shared benefits. To make matters worse, indigenous people who are being forced to giveaway their lands are never consulted and, are rarely if ever, offered viable alternatives.

Madame Ambassador,

The devastating role played by Indian agriculture firms widely perceived as "the new farmland colonizers in Ethiopia" poses a huge and enduring reputational risk for the Indian government and for a newly emerging India both in Ethiopia and the rest of Africa. The perception among a wide-spectrum of Ethiopians and other Africans is that Indian firms collude with corrupt-ridden and repressive governments such as Ethiopia's

in dispossessing indigenous people and making them poorer to make profits and to secure foods for Indian consumers. You will agree with us that this this reputational risk for democratic India and its private sector must be stopped now. We also believe that these firms cause unrest and rebellion among indigenous people and indignation among Ethiopians. We have no doubt this will intensify. On May 1, 2012, rebels in Gambella killed 6 Pakistani and 4 Ethiopian employees of Saudi Star. We are convinced that such uprisings will intensify as indigenous people internalize the loss of honor, dignity, citizenship and source of livelihood and security land grab entails; and recognize the empty promises offered by the government to offer benefits. You will agree with us that land is fundamental to Ethiopian identity, sense of security; and has been for thousands of years. Taking away this source of livelihood is tantamount to naked robbery.

Madame Ambassador,

Neither investors nor the Ethiopian government delivers on promises to communities to build meaningful and life changing infrastructure such as access roads, community centers, schools, clinics, safer drinking water and shelters or to offer income generating alternatives. The government's touted promise that Foreign Direct Investment (FDI) in the agricultural sector that employs more than 80 percent of the labor force will generate employment, modernize agriculture through a ripple effect, contribute to food security for the Ethiopian people and bring in foreign exchange that will be ploughed back into the local, regional and national economy is not borne by facts. On the contrary, foreign and domestic elite owned large-scale commercial farms generate employment at a rate of 0.005 per hectare (ha) compared to less than 1/2 ha of land that supports a family of 6 people. Ethiopians are employed as day laborers, typically at wages of US\$.80 to US\$1.00 per day, far below the globally accepted survival wage of US\$1.25 per day. In 2011 hyperinflation, primarily from food stuff, was a whopping 50 percent. Employment as a day laborer at low wages and no job security cannot lift-up workers from destitution. There is no single farmer in Gambella or anywhere else where FDI operates that show a local farmer possess the means to purchase a Deere tractor. There is no evidence of any investment in agro-industries as a consequence of FDI in lands. Foreign investors confirm that they are under no obligation to set aside a proportion of their produce to meet the food security needs of the country. Their primary motive is to produce and export to rich countries and make profit; and to secure foods for their home consumers. The most credible gain from FDI is foreign exchange for the governing party. Between 2004 and 2009, it earned US\$ 9.2 billion from 607,000 ha of transactions that it did not plough- back to improve localities and communities. By 2013, Karuturi alone will produce and export 3 million tons of grain and earn billions of dollars for the Ethiopian government while millions of Ethiopians will depend on food aid. Is this fair?

All indicators show that the costs outweigh the benefits. Human Rights Watch, Oakland Institute, the Guardian and Survival International all report that hundreds of thousands are getting poorer and hungrier in a country called "one of the hungriest and unhealthiest on the planet." Millions of people go hungry each day. Millions depend on international food aid to survive. The Ethiopian government failed to give priority to a smallholder farming revolution that we believe will do wonders in reducing poverty, generating

employment, reducing escalating food prices and boosting incomes. Outsourcing Ethiopia's food supplies to investors will not achieve food security. Saddened by the depth and breadth of hunger, recurring famine and endemic poverty, Mr. Bill Gates of Microsoft and a champion of smallholder farming said recently that "Ethiopia has more food insecure people who need food aid than any country in the world." It is in such a destitute country that Indian firms are producing and exporting food stuff and flowers for export to India and to other markets. This is a travesty.

Madame Ambassador,

The people of India know and appreciate the indignities, loss of honor and self-worth that people feel when a society is not in control of its own natural resources and country. Having freed themselves from colonial control, Indians now enjoy a free and democratic society in which the poor have at least a voice and can turn to a government that is accountable to them. Given checks and balances, you will agree with us that no Indian government would allow "India to be used as an empty womb" by anyone. Today, Ethiopia is an "empty womb." Millions of hectares of its most fertile farmlands and the waters and rivers that give them sustenance are given away in a scheme that we can only characterize as "farmland colonization by invitation." Indian companies are taking over for 25 to 99 years duration at the invitation of Mr. Meles' government. Unlike India, Mr. Meles Zenawi, the Prime Minister of Ethiopia, rules the country with an iron-fist. There is no free press and civil society is non-existent. Those in regions where land grab is prominent have no voice to defend their interests. The state owns all natural resources including land and is in a position to lease or sell farmlands to foreign investors as it wishes. Just last week, Mr. Meles announced his intention to avail an additional 3.5 million hectares to investors. The World Bank, Oakland Institute, Grain, Meat, and the Ethiopian Reporter estimate that the ultimate figure may reach 7 million hectares. In April 2011, the Reporter pointed out that 3,638,415 hectares have either been leased or promised. By comparison, 75 percent of the Ethiopian farming population leases 12 million hectares; most rely on less than half ha. *In Wellbeing and Poverty in Ethiopia*, the World Bank concluded that most Ethiopian farmers are land poor and millions are landless. So, the government's argument that lands granted to more than 9,000 individual contractors from 36 countries and corporations are "empty and unoccupied" is not true.

Madame Ambassador,

The scale of penetration by Indian firms that earned them the widely expressed name of "new farmland colonizers" or as one local newspaper reported last year, "the new invaders" is unprecedented. *The Ethiopian Reporter* confirmed last year that Bangalore-based Karuturi Global Ltd. acquired the equivalent of 3,000 square kilometers of land, a staggering 311,900 hectares (the size of Luxembourg bought at less than US\$1.0 per hectare) in the Gambella Region. It owns 50,000 hectares in the Southern Region, making it the largest Indian commercial farm owner in the country. Spentex Industries Ltd., another Indian firm owns 25,000 ha in the Beni-Shangul Gumuz Region. Indian firms Ruchi and Kenan Industries, own 3,000 and 10,000 ha respectively in Gambella; while Shapoorji Pallonji and Co., Industries owns 50,000 ha in Beni-Shangul Gumuz; and Al-

midha owns 28,000 ha in Oromia. Panasha International Agro-industries has been granted 2,500 ha in the Amhara region. This massive “farmland colonization” is likely to be boosted to 1.8 million ha as promised by the Ethiopian Deputy Prime Minister on a visit to India last year. Indian firms are not alone in the largest transfer of farmland and water basin resources from the Ethiopian people to foreign investors and preferred domestic elites. Data from the World Bank, Oakland Institute, the Ethiopian Reporter and others shows that the Saudi and Gulf State sponsored and financed conglomerate Saudi Star and its affiliates own or have been promised 460,000 ha (the size of Belgium) in Gambella; 200,000 ha in Beni-Shangul Gumuz; and produce and export a variety of food stuff from 1,000 square kilometers of Greenhouse in Oromia. Sheikh Mohamed Al-Amoudi, head of this monopoly, plans to invest US\$2.5 billion by 2020.

In short, Karuturi and Saudi Star are the largest foreign “new landlords” in Ethiopia. Their adverse impact is equivalent to the “banana republic” syndrome in the Caribbean and Central America and the “resource curse” in Sub-Saharan Africa that marginalized their respective societies and kept them poor. Investors gain profits and access to food security for rich consumers while Ethiopians lose. It is this that led Human Rights Watch to conclude in “Waiting for Death” that “The Ethiopian government is forcibly moving tens of thousands of indigenous people in the Western Gambella Region from their homes.”

Madame Ambassador,

Accordingly, we call on you and the Indian government to apply pressure on Indian firms to:

- Desist immediately from engaging in the illegal and exploitative land grab, disenfranchisement of inhabitants and destruction of the environment,
- Disclose the terms and conditions of individual land deals to the Ethiopian public,
- Recognize the reputational risks for India and the real risks for investors, and
- Know that a future representative government in Ethiopia shall not recognize and enforce any of the current or future land deals.

Respectfully,

Signed:

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